

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Clinton Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: September 29, 2017

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made, on average, on October 1 of each fiscal year. The schedule is effective in FY18 (since the amount under the prior schedule was maintained in FY18) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.60% to 7.40%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenza, at (617) 666-4446, extension 921.

Enc.



Clinton Retirement System
January 1, 2017 Actuarial Valuation

Total Appropriation Increasing 5.0% until FY34 with a final amortization payment in FY35

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Amort. of</u> <u>Pension Holiday</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Total Cost</u> <u>% Incr.</u>
2018	1,029,593	120,000	1,502,736	51,460	34,735	2,738,523	24,261,973	
2019	1,075,924	120,000	1,591,767	51,460	36,298	2,875,449	24,380,759	5.0%
2020	1,124,341	120,000	1,685,490	51,460	37,932	3,019,222	24,412,742	5.0%
2021	1,174,936	120,000	1,835,608		39,638	3,170,183	24,346,474	5.0%
2022	1,227,809	120,000	1,939,461		41,422	3,328,692	24,169,400	5.0%
2023	1,283,060	120,000	2,048,780		43,286	3,495,126	23,867,756	5.0%
2024	1,340,798	120,000	2,163,851		45,234	3,669,883	23,426,472	5.0%
2025	1,401,133	120,000	2,284,974		47,270	3,853,377	22,829,059	5.0%
2026	1,464,184	120,000	2,412,465		49,397	4,046,046	22,057,483	5.0%
2027	1,530,073	120,000	2,546,656		51,620	4,248,348	21,092,041	5.0%
2028	1,598,926	120,000	2,687,897		53,942	4,460,765	19,911,216	5.0%
2029	1,670,878	120,000	2,892,926			4,683,804	18,491,524	5.0%
2030	1,746,067	120,000	3,051,927			4,917,994	16,807,352	5.0%
2031	1,824,640	120,000	3,219,253			5,163,894	14,830,778	5.0%
2032	1,906,749	120,000	3,395,339			5,422,088	12,531,378	5.0%
2033	1,992,553	120,000	3,580,640			5,693,193	9,876,022	5.0%
2034	2,082,218	120,000	3,775,635			5,977,852	6,828,644	5.0%
2035	2,175,917	120,000	3,409,771			5,705,689	3,350,006	-4.6%
2036	2,273,834	120,000				2,393,834	0	-58.0%

Appropriation payments assumed to be made on average on October 1 of each fiscal year

Normal cost includes administrative and a portion of investment related expenses and is assumed to increase 4.5% per year

FY18 amount maintained at level of prior funding schedule